

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION
11

12 NOMADIX, INC.,

13 Plaintiff,

14
15 v.

16 HEWLETT-PACKARD COMPANY,
17 et al.,

18 Defendants.

Case No. CV-09-08441 DDP (VBKx)

**DEFENDANTS' STATUS REPORT
AND PREHEARING STATEMENT**

Hearing re: Reduction of Terms

Date: December 6, 2010
Time: 11:00 a.m.
Courtroom No: 3

Honorable Dean D. Pregerson

19 NOMADIX, INC.,

20 Plaintiff,

21
22 v.

23 SOLUTIONINC TECHNOLOGIES
24 LIMITED,

25 Defendants.

Case No. CV-10-00381 DDP (VBKx)

**DEFENDANT'S STATUS REPORT
AND PREHEARING STATEMENT
(RELATED CASE)**

Hearing re: Reduction of Terms

Date: December 6, 2010
Time: 11:00 a.m.
Courtroom No: 3

Honorable Dean D. Pregerson

26 AND RELATED COUNTERCLAIMS
27
28

1 **I. INTRODUCTION**

2 At the October 4, 2010 hearing, the Court directed the parties to meet-and-
3 confer regarding the number of claims and claim terms at issue in this patent
4 infringement case. The parties met and conferred on November 29, 2010. While
5 they have agreed in principle that this case and the case involving SolutionInc
6 Technologies Limited may be consolidated for claim construction purposes, they
7 nonetheless are unable to agree on the following specific issues: 1) whether plaintiff
8 Nomadix, Inc. (“Nomadix”) should reduce the number of asserted claims prior to
9 setting a briefing schedule leading to a claim construction (“Markman”) hearing, 2)
10 what the exact timelines for the claim-construction schedule should be, including
11 when in 2011 the claim construction hearing should occur, and 3) whether, and
12 how, the parties should provide a technology tutorial to the Court in advance of the
13 claim construction hearing. The following Joint Status Report and Prehearing
14 Statements set forth the positions of the parties:

15 **II. OPENING STATEMENT**

16 The claim construction issues in this case should be significantly streamlined,
17 as previously suggested by this Court. Defendants therefore respectfully request
18 that this Court order Plaintiff Nomadix and Counter-Plaintiff iBAHN Corporation
19 (“iBAHN”), prior to briefing claim construction issues, to reduce the 161 total
20 number of asserted patent claims at issue to one asserted claim per patent common
21 to all defendants accused of infringing the asserted patent, in order to significantly
22 streamline the case by reducing the number of terms that the Court will need to
23 construe. Such reduction is in line with the Court’s statements made at the October
24 4, 2010 hearing regarding reduction of terms, where the Court specifically ordered
25 the parties to try to agree to reduce the large number of patent “claims” at issue in
26 this case “to the bare minimum” prior to December 6, 2010.¹ Plaintiff Nomadix has

27
28 ¹ *Nomadix v. HP et al.*, Reporter’s Transcript of October 4, 2010 Hearing Re:
Reduction In Terms, p. 18, lines 14-16.

1 been unwilling to follow this directive, even though all defendants and Counter-
2 Plaintiff iBAHN have been agreeable to such a reduction.

3 Moreover, Defendants believe a claim-construction briefing schedule should
4 be set after the scope of the Markman hearing is limited to only those claims that
5 need to be addressed and not before as Nomadix proposes. There is little purpose
6 served by having the Court construe 47 terms from 161 patent claims, if many of
7 those terms and claims will later be required to be dropped by the parties in any
8 event. Defendants therefore request that the Court order a reduction in the number
9 of asserted claims by all parties prior to any briefing on claim construction issues,
10 and that the Court then set a schedule in which briefs are “keyed off” the date of the
11 Markman hearing date set by the Court in 2011. As part of this process,
12 Defendants also request that the Court set a specific date for conducting or
13 receiving a technical tutorial, such as a deadline for an exchange of DVDs, to assist
14 the Court in understanding the patented technologies involved in this case.

15 **A. Reduction of Asserted Claims**

16 Due to the large number of asserted claims, this case is unmanageable
17 without the parties significantly reducing the number of asserted claims. Plaintiff
18 Nomadix has asserted nine patents and 112 claims against numerous commercial
19 products provided by defendants in the *Nomadix v. Hewlett-Packard Co. et al.*,
20 Case No. CV09-08441 DDP (VBKx) and *Nomadix v. SolutionInc Technologies*
21 *Limited*, Case No. CV10-00381 DDP (VBKx) actions. Because Nomadix has
22 asserted so many different claims² against different parties and products, *Hewlett-*
23 *Packard* defendants have identified 40 claim terms for which the meaning and
24 scope are disputed. Additionally, iBAHN has asserted three patents and 49 claims
25 against Nomadix, for which Nomadix has identified an additional seven terms for
26 construction.

27
28 ² For ease of reference, the matrix of asserted claims against all of the Defendants is
shown in Exhibit A to this statement.

As this Court indicated at the October 4, 2010 hearing, requiring both parties to reduce the 161 total claims at issue will significantly streamline this case and reduce the number of terms that the Court will need to construe. Therefore, defendants propose that the Court limit the parties to asserting a single claim for each asserted patent common to all defendants accused of infringing the asserted patent, and set a date for that election. If the parties are limited to asserting one claim per patent common to all defendants accused of infringing the patent, Defendants anticipate that the Court may have to construe as few as 23 terms – far fewer than the Court would presently have to interpret. Specifically, the following table illustrates reduction in claim terms that results from the Defendants’ proposal:

Patents	Representative Claim	Pre-Reduction of Asserted Claims	Post-Reduction of Asserted Claims
'892	1	3	3
'727	19	7	3
'995	1	3	3
'894	1	4	2
'554	10	7	3
'399	13	11	5
'110	1	2	1
'716	1	3	3
Total		40	23

Indeed, mandating a reduction in the number of asserted claims now is the most efficient way to handle the management of this case and reduce the burden placed on the Court. Without a reduction in the number of asserted claims, the Court may be faced with handling an unnecessarily large number of claims during the Markman process, and later in summary judgment motions. Further, an immediate reduction by the parties in the number of asserted claims would avoid the parties engaging in potentially unnecessary and voluminous claim construction briefing for terms that would be eliminated in any event because of a post-Markman

1 election. This is precisely why Defendants understood the Court at the October 4,
2 2010 hearing to order the parties “to reduce the number of claims down to the bare
3 minimum.”³

4 Yet, despite the Court’s admonishment and repeated requests by the
5 Defendants, Plaintiff has steadfastly refused to voluntarily drop any of its 112
6 asserted claims prior to when the parties will need to begin claim-construction
7 briefing. The Court should therefore order such a reduction by a date certain.
8 Mandating such a reduction in the number of asserted claims is certainly within the
9 Court’s inherent power to manage the case and its docket, as evidenced by
10 numerous rulings from courts that have issued comparable case management
11 orders.⁴ Further, the United States District Court for the Northern District of
12 California patent local rules, adopted by the parties, contemplate the difficulty in
13 managing patent cases with numerous claims and claim terms in dispute and
14 anticipate that the Court may take such corrective actions. *See* N.D. Cal. P.R. 4-
15 3(c).⁵

16 Plaintiff’s primary stated reluctance at the October 4 hearing to reducing
17
18

19 ³ *Id.* (emphasis added).

20 ⁴ *See, e.g., Verizon Cal., Inc. v. Ronald A. Katz Tech. Licensing, L.P.*, No. 01-CV-
21 09871, slip op. at 2 (C.D. Cal. Sept. 25, 2002, Docket No. 88) (limiting plaintiff to
22 twenty (20) total claims prior to claim construction)(cited with approval in *Verizon*
23 *Cal., Inc. v. Ronald A. Katz Tech. Licensing, L.P.*, 2003 U.S. Dist. LEXIS 23553, at
24 *4 (C.D. Cal. Dec. 2, 2003) (“Due to the large number of patents and claims at
25 issue ... the Court ordered Katz to identify no more than three representative claims
26 per patent for its infringement case and no more than twenty claims for a claim
27 construction hearing.”), (vacated on other grounds, 2004 U.S. Dist. LEXIS 31132
28 (C.D. Cal. July 12, 2004)); *Data Treasury Corp. v. Wells Fargo and Co., et al.*, No.
2:06-CV-00072-DF, slip op. at 3-5 (E.D. Tex. Oct. 25, 2006, Docket No. 325)
(ordering plaintiff to limit the number of asserted claims at the outset of the case to
fifty (citing *ReRoof America, Inc. et al. v. United Structures of America, Inc.*, 215
F.3d 1351 (Fed. Cir. 1999) (unpublished opinion) (plaintiff was not prejudiced
when the district court limited plaintiff to just five representative claims)).

⁵ *See also SynQor, Inc. v. Artesyn Technologies, Inc. et al.*, No. 2-07-CV-00497
(E.D. Tex. March 25, 2010, Docket No. 408)(stating that “[t]he practice of asserting
an unreasonably large number of patent claims serves to obfuscate the more
material issues in the case, and effectively undermines the purpose of the patent
rules”).

1 claims was the absence of source code production by the Defendants.⁶ However,
2 the Defendants have now made their source code available for Plaintiff's
3 inspection, alleviating that concern. To the extent Plaintiff claims it needs more
4 time to review source code before electing to drop claims, Plaintiff is at fault for
5 any delay, having originally filed this case more than one year ago and yet only
6 now taking the requisite steps to review the code.⁷ In any event, Plaintiff has stated
7 during the meet-and-confer process that it does not want to delay Markman Hearing
8 for source code review. As a result, the Court should order Nomadix to reduce the
9 number of asserted claims immediately and not subject the parties and the Court to
10 unnecessary and inefficient briefing on superfluous terms.

11 Without more structure, a claim-construction plan is not feasible. There can
12 be no dispute that the management of claim construction on 161 claims and nearly
13 50 disputed claim terms is untenable for both the Court and the parties. Defendants
14 therefore propose that at the December 6, 2010 hearing, this Court order by a date
15 certain that the parties asserting patent infringement claims and counterclaims
16 (including iBAHN, which has agreed to this procedure) be limited to asserting one
17 representative claim per asserted patent common to all defendants accused of
18 infringing the asserted patent.

19
20
21 ⁶ *Nomadix v. HP et al.*, Reporter's Transcript of October 4, 2010 Hearing Re:
Reduction In Terms, at pp. 11-12, lines 21-10.

22 ⁷ Nomadix originally filed its complaint in this action against the Defendants on
November 17, 2009. Six months later, on May 28, 2010, Defendants proposed that
23 the parties enter into a draft Protective Order which included source code
provisions, which would have allowed discovery to commence then. However,
24 Nomadix waited a month to respond with its own draft, on June 21, 2010, and
offered a proposal that included no source code protections. After another month of
25 unsuccessful negotiations between Nomadix and Defendants, on July 23, 2010,
Nomadix informed Defendants it would move the Court "in a few days" to enter a
26 Protective Order that incorporated its own preferred source code provisions.
Nonetheless, Nomadix waited two months, until September 17, 2010, to provide a
27 draft Joint Stipulation related to a Motion to Compel. Eventually, after further
discussions, the Defendants all voluntarily agreed to make their source code
28 available for inspection, notwithstanding the Court still had not entered a single
Source Code Protective Order covering all parties.

B. Claim Construction Schedule

Defendants do not believe a claim-construction briefing schedule can be set before the scope of the Markman process is better defined by a reduction in claims and claim terms. Defendants request that this Court enforce a mandatory claim reduction process before any claim-construction briefing occurs. A claim-construction briefing schedule like that proposed by Plaintiff, in which it drops claims after claim-construction briefing is completed, is neither logical nor cost-efficient. Once the number of claims and claim terms are narrowed, the Court can set a claim-construction hearing date and set deadlines commensurate with the workload for the hearing.

As the parties cannot determine the Court's availability, the Defendants propose a schedule that will be keyed off a date, as early as April 2011, that the Court ultimately sets for the claim construction hearing. That schedule is designed to avoid any claim construction briefing by the parties to occur during the Christmas and New Years holidays. Accordingly, Defendants propose that the Court adopt the following claim construction schedule, subject to an available date for the Court to hold an all-day Markman hearing:

Matter	Day	Date
Reduction in the number of assert claims		90 days prior to hearing date
Opening claim construction briefs by parties asserting patents		75 days prior to hearing date
Responsive claim construction briefs		35 days prior to hearing date
Reply claim construction briefs		21 days prior to hearing date
Last day to submit technology tutorial via DVD		7 days prior to hearing date
Claim construction hearing	Thursday	April 14, 2011 or thereafter, subject to the Court's

Matter	Day	Date
		availability and, if necessary, the time required for the parties to select one representative claim per patent common to all defendants accused of infringing the asserted patent

C. Technology Tutorial

Reducing the number of asserted claims and setting a Markman hearing date will also assist the parties in determining the best way to provide the Court with a technology tutorial. Defendants believe that due to the large number of patents at issue from both Nomadix and iBAHN, it would aid the Court's understanding of the relevant patented technologies if the parties were allowed to provide a tutorial detailing background information on the Nomadix and iBAHN patents at issue in this case. During the meet-and-confer process, Nomadix expressed that it is not interested in providing a technology tutorial on its own nine asserted patents, even though this Court has never previously reviewed or construed terms in several of them. Nevertheless, the Defendants and iBAHN propose submitting a technology tutorial for both the Nomadix and iBAHN patents on a DVD to the Court in advance of the Markman hearing, so that it may familiarize itself with the technology and better prepare itself for the issues to be addressed. Alternatively, if the Court prefers an in-person tutorial, the Defendants and iBAHN request 90 minutes for presenting a tutorial on the Nomadix and iBAHN patents, respectively, to occur seven days prior to the Markman hearing.

D. Conclusion

Requiring the parties to reduce the number of asserted claims to a reasonable number is necessary to focus the parties' positions, aid the Court in making its claim construction decisions, and aid the jury in determining liability without undue

1 confusion. As such, without a reduction in claims, this case will not be focused and
2 will become overly burdensome on the Court as the case progresses. The
3 Defendants respectfully submit that now is the time to narrow and focus the case by
4 mandating such a reduction, and then setting a claim-construction briefing
5 schedule.

1 Dated: December 2, 2010 ORRICK, HERRINGTON & SUTCLIFFE LLP

2 /s/ Qudus B. Olaniran

3 Qudus B. Olaniran
4 Attorneys for Defendant and Counterclaimant
iBAHN Corporation

5 Dated: December 2, 2010 COVINGTON & BURLING LLP

6 /s/ Michael K. Plimack (with permission)

7 Michael K. Plimack
8 Attorneys for Defendants
Hewlett-Packard Company
9 FENWICK and WEST LLP

10 Dated: December 2, 2010

11 /s/ David M. Lacy Kusters (with permission)

12 David M. Lacy Kusters
13 Attorneys for Defendants
Superclick Networks, Inc. and Superclick, Inc.

14 Dated: December 2, 2010 WEIL GOTSHAL & MANGES LLP

15 /s/ Paul E. Torchia (with permission)

16 Paul E. Torchia
17 Attorneys for Defendant
Aruba Networks, Inc.

18 Dated: December 2, 2010 LEONARD STREET & DEINARD

19 /s/ Erik M. Drange (with permission)

20 Erik M. Drange
21 Attorneys for Defendants LodgeNet Interactive
Corporation; LodgeNet stayOnline, Inc.; and On
Command Corporation

22 Dated: December 2, 2010 SIDLEY AUSTIN LLP

23 /s/ Benedict F. Frey (with permission)

24 Benedict F. Frey
25 Attorneys for Defendant
Wayport, Inc.

1 Dated: December 2, 2010

WOODCOCK & WASHBURN

2
3 /s/ Henrik D. Parker (with permission)

Henrik D. Parker

Attorneys for Defendants

Guest-Tek Interactive Entertainment Ltd. and

Guest-Tek Interactive Entertainment, Inc.

4
5
6 Dated: December 2, 2010

REED SMITH LLP

7
8 /s/ David T. Pollock (with permission)

David T. Pollock

Attorneys for Defendant

Solutioninc Technologies LTD.

EXHIBIT A

Asserted Claim	HP	Wayport	iBahn	Guest-tek	Lodgenet	StayOnline	On Command	Aruba	Superclick	Solution Inc
892 patent										
1										
5										
6										
8										
727 patent										
11										
12										
13										
17										
19										
20										
995 patent										
1										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
29										
30										
32										
33										
34										
35										
36										
37										
40										
41										
42										
43										
44										
45										
46										
894 patent										
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
554 patent										
10										
11										

Asserted Claim	HP	Wayport	iBahn	Guest-tek	Lodgenet	StayOnline	On Command	Aruba	Superclick	Solution Inc
14										
16										
17										
21										
23										
399 patent										
1										
3										
4										
6										
8										
13										
15										
16										
18										
20										
21										
716 patent										
1										
4										
5										
6										
8										
9										
10										
11										
13										
19										
23										
25										
37										
41										
47										
48										
52										
55										
56										
57										
59										
61										
110 patent										
1										
17										
18										
26										
27										
28										
29										
32										
009 patent										
1										
2										
6										
8										
23										
24										
28										
30										